

110TH CONGRESS
2D SESSION

S. _____

To promote the energy security of the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. DOMENICI introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To promote the energy security of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Domestic Energy Production Act of 2008”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary.

TITLE I—TRADITIONAL RESOURCES

Subtitle A—Outer Continental Shelf

Sec. 101. Publication of projected State lines on outer Continental Shelf.

Sec. 102. Production of oil and natural gas in new producing areas.

2

Sec. 103. Conforming amendment.

Subtitle B—Leasing Program for Land Within Coastal Plain

- Sec. 111. Definitions.
- Sec. 112. Leasing program for land within the Coastal Plain.
- Sec. 113. Lease sales.
- Sec. 114. Grant of leases by the Secretary.
- Sec. 115. Lease terms and conditions.
- Sec. 116. Coastal plain environmental protection.
- Sec. 117. Expedited judicial review.
- Sec. 118. Rights-of-way and easements across Coastal Plain.
- Sec. 119. Conveyance.
- Sec. 120. Local government impact aid and community service assistance.
- Sec. 121. Prohibition on exports.
- Sec. 122. Allocation of revenues.

Subtitle C—Permitting

- Sec. 131. Refinery permitting process.
- Sec. 132. Removal of additional fee for new applications for permits to drill.

Subtitle D—Strategic Petroleum Reserve

- Sec. 141. Suspension of petroleum acquisition for Strategic Petroleum Reserve.

Subtitle E—Restoration of State Revenue

- Sec. 151. Restoration of State revenue.

TITLE II—ALTERNATIVE RESOURCES

Subtitle A—Renewable Fuel and Advanced Energy Technology

- Sec. 201. Definition of renewable biomass.
- Sec. 202. Advanced battery manufacturing incentive program.
- Sec. 203. Biofuels infrastructure and additives research and development.
- Sec. 204. Study of increased consumption of ethanol-blended gasoline with higher levels of ethanol.
- Sec. 205. Study of diesel vehicle attributes.

Subtitle B—Clean Coal-Derived Fuels for Energy Security

- Sec. 211. Short title.
- Sec. 212. Definitions.
- Sec. 213. Clean coal-derived fuel program.

Subtitle C—Oil Shale

- Sec. 221. Removal of prohibition on final regulations for commercial leasing program for oil shale resources on public land.

Subtitle D—Department of Defense Facilitation of Secure Domestic Fuel Development

- Sec. 231. Procurement and acquisition of alternative fuels.
- Sec. 232. Multiyear contract authority for the Department of Defense for the procurement of synthetic fuels.

1 **SEC. 2. DEFINITION OF SECRETARY.**

2 In this Act, the term “Secretary” means the Sec-
3 retary of Energy.

4 **TITLE I—TRADITIONAL**
5 **RESOURCES**
6 **Subtitle A—Outer Continental**
7 **Shelf**

8 **SEC. 101. PUBLICATION OF PROJECTED STATE LINES ON**
9 **OUTER CONTINENTAL SHELF.**

10 Section 4(a)(2)(A) of the Outer Continental Shelf
11 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended—

12 (1) by designating the first, second, and third
13 sentences as clause (i), (iii), and (iv), respectively;

14 (2) in clause (i) (as so designated), by inserting
15 before the period at the end the following: “not later
16 than 90 days after the date of enactment of the Do-
17 mestic Energy Production Act of 2008”; and

18 (3) by inserting after clause (i) (as so des-
19 ignated) the following:

20 “(ii)(I) The projected lines shall also be used for the
21 purpose of preleasing and leasing activities conducted in
22 new producing areas under section 32.

23 “(II) This clause shall not affect any property right
24 or title to Federal submerged land on the outer Conti-
25 nental Shelf.

1 “(III) In carrying out this clause, the President shall
2 consider the offshore administrative boundaries beyond
3 State submerged lands for planning, coordination, and ad-
4 ministrative purposes of the Department of the Interior,
5 but may establish different boundaries.”.

6 **SEC. 102. PRODUCTION OF OIL AND NATURAL GAS IN NEW**
7 **PRODUCING AREAS.**

8 The Outer Continental Shelf Lands Act (43 U.S.C.
9 1331 et seq.) is amended by adding at the end the fol-
10 lowing:

11 **“SEC. 32. PRODUCTION OF OIL AND NATURAL GAS IN NEW**
12 **PRODUCING AREAS.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) COASTAL POLITICAL SUBDIVISION.—The
15 term ‘coastal political subdivision’ means a political
16 subdivision of a new producing State any part of
17 which political subdivision is—

18 “(A) within the coastal zone (as defined in
19 section 304 of the Coastal Zone Management
20 Act of 1972 (16 U.S.C. 1453)) of the new pro-
21 ducing State as of the date of enactment of this
22 section; and

23 “(B) not more than 200 nautical miles
24 from the geographic center of any leased tract.

25 “(2) MORATORIUM AREA.—

1 “(A) IN GENERAL.—The term ‘moratorium
2 area’ means an area covered by sections 104
3 through 105 of the Department of the Interior,
4 Environment, and Related Agencies Appropria-
5 tions Act, 2008 (Public Law 110–161; 121
6 Stat. 2118) (as in effect on the day before the
7 date of enactment of this section).

8 “(B) EXCLUSION.—The term ‘moratorium
9 area’ does not include an area located in the
10 Gulf of Mexico.

11 “(3) NEW PRODUCING AREA.—The term ‘new
12 producing area’ means any moratorium area within
13 the offshore administrative boundaries beyond the
14 submerged land of a State that is located greater
15 than 50 miles from the coastline of the State.

16 “(4) NEW PRODUCING STATE.—The term ‘new
17 producing State’ means a State that has, within the
18 offshore administrative boundaries beyond the sub-
19 merged land of the State, a new producing area
20 available for oil and gas leasing under subsection
21 (b).

22 “(5) OFFSHORE ADMINISTRATIVE BOUND-
23 ARIES.—The term ‘offshore administrative bound-
24 aries’ means the administrative boundaries estab-
25 lished by the Secretary beyond State submerged land

1 for planning, coordination, and administrative pur-
2 poses of the Department of the Interior and pub-
3 lished in the Federal Register on January 3, 2006
4 (71 Fed. Reg. 127).

5 “(6) QUALIFIED OUTER CONTINENTAL SHELF
6 REVENUES.—

7 “(A) IN GENERAL.—The term ‘qualified
8 outer Continental Shelf revenues’ means all
9 rentals, royalties, bonus bids, and other sums
10 due and payable to the United States from
11 leases entered into on or after the date of en-
12 actment of this section for new producing areas.

13 “(B) EXCLUSIONS.—The term ‘qualified
14 outer Continental Shelf revenues’ does not in-
15 clude—

16 “(i) revenues from a bond or other
17 surety forfeited for obligations other than
18 the collection of royalties;

19 “(ii) revenues from civil penalties;

20 “(iii) royalties taken by the Secretary
21 in-kind and not sold;

22 “(iv) revenues generated from leases
23 subject to section 8(g); or

24 “(v) any revenues considered qualified
25 outer Continental Shelf revenues under

1 section 102 of the Gulf of Mexico Energy
2 Security Act of 2006 (43 U.S.C. 1331
3 note; Public Law 109–432).

4 “(b) PETITION FOR LEASING NEW PRODUCING
5 AREAS.—

6 “(1) IN GENERAL.—Beginning on the date on
7 which the President delineates projected State lines
8 under section 4(a)(2)(A)(ii), the Governor of a State
9 with a new producing area within the offshore ad-
10 ministrative boundaries beyond the submerged land
11 of the State may submit to the Secretary a petition
12 requesting that the Secretary make the new pro-
13 ducing area available for oil and gas leasing.

14 “(2) ACTION BY SECRETARY.—Notwithstanding
15 section 18, as soon as practicable after receipt of a
16 petition under paragraph (1), the Secretary shall ap-
17 prove the petition if the Secretary determines that
18 leasing the new producing area would not create an
19 unreasonable risk of harm to the marine, human, or
20 coastal environment.

21 “(c) DISPOSITION OF QUALIFIED OUTER CONTI-
22 NENTAL SHELF REVENUES FROM NEW PRODUCING
23 AREAS.—

24 “(1) IN GENERAL.—Notwithstanding section 9
25 and subject to the other provisions of this sub-

1 section, for each applicable fiscal year, the Secretary
2 of the Treasury shall deposit—

3 “(A) 50 percent of qualified outer Conti-
4 nental Shelf revenues in the general fund of the
5 Treasury; and

6 “(B) 50 percent of qualified outer Conti-
7 nental Shelf revenues in a special account in
8 the Treasury from which the Secretary shall
9 disburse—

10 “(i) 75 percent to new producing
11 States in accordance with paragraph (2);
12 and

13 “(ii) 25 percent to provide financial
14 assistance to States in accordance with
15 section 6 of the Land and Water Conserva-
16 tion Fund Act of 1965 (16 U.S.C. 460l
17 –8), which shall be considered income to
18 the Land and Water Conservation Fund
19 for purposes of section 2 of that Act (16
20 U.S.C. 460l–5).

21 “(2) ALLOCATION TO NEW PRODUCING STATES
22 AND COASTAL POLITICAL SUBDIVISIONS.—

23 “(A) ALLOCATION TO NEW PRODUCING
24 STATES.—Effective for fiscal year 2008 and
25 each fiscal year thereafter, the amount made

1 available under paragraph (1)(B)(i) shall be al-
2 located to each new producing State in amounts
3 (based on a formula established by the Sec-
4 retary by regulation) proportional to the
5 amount of qualified outer Continental Shelf rev-
6 enues generated in the new producing area off-
7 shore each State.

8 “(B) PAYMENTS TO COASTAL POLITICAL
9 SUBDIVISIONS.—

10 “(i) IN GENERAL.—The Secretary
11 shall pay 20 percent of the allocable share
12 of each new producing State, as deter-
13 mined under subparagraph (A), to the
14 coastal political subdivisions of the new
15 producing State.

16 “(ii) ALLOCATION.—The amount paid
17 by the Secretary to coastal political sub-
18 divisions shall be allocated to each coastal
19 political subdivision in accordance with
20 subparagraphs (B) and (C) of section
21 31(b)(4).

22 “(3) MINIMUM ALLOCATION.—The amount allo-
23 cated to a new producing State for each fiscal year
24 under paragraph (2) shall be at least 5 percent of

1 the amounts available under for the fiscal year
2 under paragraph (1)(B)(i).

3 “(4) TIMING.—The amounts required to be de-
4 posited under subparagraph (B) of paragraph (1)
5 for the applicable fiscal year shall be made available
6 in accordance with that subparagraph during the fis-
7 cal year immediately following the applicable fiscal
8 year.

9 “(5) AUTHORIZED USES.—

10 “(A) IN GENERAL.—Subject to subpara-
11 graph (B), each new producing State and coast-
12 al political subdivision shall use all amounts re-
13 ceived under paragraph (2) in accordance with
14 all applicable Federal and State laws, only for
15 1 or more of the following purposes:

16 “(i) Projects and activities for the
17 purposes of coastal protection, including
18 conservation, coastal restoration, hurricane
19 protection, and infrastructure directly af-
20 fected by coastal wetland losses.

21 “(ii) Mitigation of damage to fish,
22 wildlife, or natural resources.

23 “(iii) Implementation of a federally-
24 approved marine, coastal, or comprehensive
25 conservation management plan.

1 “(iv) Mitigation of the impact of outer
2 Continental Shelf activities through the
3 funding of onshore infrastructure projects.

4 “(v) Planning assistance and the ad-
5 ministrative costs of complying with this
6 section.

7 “(B) LIMITATION.—Not more than 3 per-
8 cent of amounts received by a new producing
9 State or coastal political subdivision under
10 paragraph (2) may be used for the purposes de-
11 scribed in subparagraph (A)(v).

12 “(6) ADMINISTRATION.—Amounts made avail-
13 able under paragraph (1)(B) shall—

14 “(A) be made available, without further
15 appropriation, in accordance with this sub-
16 section;

17 “(B) remain available until expended; and

18 “(C) be in addition to any amounts appro-
19 priated under—

20 “(i) other provisions of this Act;

21 “(ii) the Land and Water Conserva-
22 tion Fund Act of 1965 (16 U.S.C. 460l-
23 4 et seq.); or

24 “(iii) any other provision of law.

1 “(d) DISPOSITION OF QUALIFIED OUTER CONTI-
2 NENTAL SHELF REVENUES FROM OTHER AREAS.—Not-
3 withstanding section 9, for each applicable fiscal year, the
4 terms and conditions of subsection (c) shall apply to the
5 disposition of qualified outer Continental Shelf revenues
6 that—

7 “(1) are derived from oil or gas leasing in an
8 area that is not covered by any 5-year plan of the
9 Secretary for oil or gas leasing; and

10 “(2) are not assumed in the budget of the
11 United States Government submitted by the Presi-
12 dent under section 1105 of title 31, United States
13 Code.”.

14 **SEC. 103. CONFORMING AMENDMENT.**

15 Sections 104 through 105 of the Department of the
16 Interior, Environment, and Related Agencies Appropria-
17 tions Act, 2008 (Public Law 110–161; 121 Stat. 2118)
18 are repealed.

19 **Subtitle B—Leasing Program for**
20 **Land Within Coastal Plain**

21 **SEC. 111. DEFINITIONS.**

22 In this subtitle:

23 (1) COASTAL PLAIN.—The term “Coastal
24 Plain” means that area identified as the “1002
25 Coastal Plain Area” on the map.

1 (2) FEDERAL AGREEMENT.—The term “Fed-
2 eral Agreement” means the Federal Agreement and
3 Grant Right-of-Way for the Trans-Alaska Pipeline
4 issued on January 23, 1974, in accordance with sec-
5 tion 28 of the Mineral Leasing Act (30 U.S.C. 185)
6 and the Trans-Alaska Pipeline Authorization Act
7 (43 U.S.C. 1651 et seq.).

8 (3) FINAL STATEMENT.—The term “Final
9 Statement” means the final legislative environmental
10 impact statement on the Coastal Plain, dated April
11 1987, and prepared pursuant to section 1002 of the
12 Alaska National Interest Lands Conservation Act
13 (16 U.S.C. 3142) and section 102(2)(C) of the Na-
14 tional Environmental Policy Act of 1969 (42 U.S.C.
15 4332(2)(C)).

16 (4) MAP.—The term “map” means the map en-
17 titled “Arctic National Wildlife Refuge”, dated Sep-
18 tember 2005, and prepared by the United States Ge-
19 ological Survey.

20 (5) SECRETARY.—The term “Secretary” means
21 the Secretary of the Interior (or the designee of the
22 Secretary), acting through the Director of the Bu-
23 reau of Land Management in consultation with the
24 Director of the United States Fish and Wildlife

1 Service and in coordination with a State coordinator
2 appointed by the Governor of the State of Alaska.

3 **SEC. 112. LEASING PROGRAM FOR LAND WITHIN THE**
4 **COASTAL PLAIN.**

5 (a) IN GENERAL.—

6 (1) AUTHORIZATION.—Congress authorizes the
7 exploration, leasing, development, production, and
8 economically feasible and prudent transportation of
9 oil and gas in and from the Coastal Plain.

10 (2) ACTIONS.—The Secretary shall take such
11 actions as are necessary—

12 (A) to establish and implement, in accord-
13 ance with this subtitle, a competitive oil and
14 gas leasing program that will result in an envi-
15 ronmentally sound program for the exploration,
16 development, and production of the oil and gas
17 resources of the Coastal Plain while taking into
18 consideration the interests and concerns of resi-
19 dents of the Coastal Plain, which is the home-
20 land of the Kaktovikmiut Inupiat; and

21 (B) to administer this subtitle through reg-
22 ulations, lease terms, conditions, restrictions,
23 prohibitions, stipulations, and other provisions
24 that—

1 (i) ensure the oil and gas exploration,
2 development, and production activities on
3 the Coastal Plain will result in no signifi-
4 cant adverse effect on fish and wildlife,
5 their habitat, subsistence resources, and
6 the environment; and

7 (ii) require the application of the best
8 commercially available technology for oil
9 and gas exploration, development, and pro-
10 duction to all exploration, development,
11 and production operations under this sub-
12 title in a manner that ensures the receipt
13 of fair market value by the public for the
14 mineral resources to be leased.

15 (b) REPEAL.—

16 (1) REPEAL.—Section 1003 of the Alaska Na-
17 tional Interest Lands Conservation Act (16 U.S.C.
18 3143) is repealed.

19 (2) CONFORMING AMENDMENT.—The table of
20 contents contained in section 1 of that Act (16
21 U.S.C. 3101 note) is amended by striking the item
22 relating to section 1003.

23 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
24 TAIN OTHER LAWS.—

1 (1) COMPATIBILITY.—For purposes of the Na-
2 tional Wildlife Refuge System Administration Act of
3 1966 (16 U.S.C. 668dd et seq.)—

4 (A) the oil and gas pre-leasing and leasing
5 program, and activities authorized by this sec-
6 tion in the Coastal Plain, shall be considered to
7 be compatible with the purposes for which the
8 Arctic National Wildlife Refuge was established;
9 and

10 (B) no further findings or decisions shall
11 be required to implement that program and
12 those activities.

13 (2) ADEQUACY OF THE DEPARTMENT OF THE
14 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
15 STATEMENT.—The Final Statement shall be consid-
16 ered to satisfy the requirements under the National
17 Environmental Policy Act of 1969 (42 U.S.C. 4321
18 et seq.) that apply with respect to pre-leasing activi-
19 ties, including exploration programs and actions au-
20 thorized to be taken by the Secretary to develop and
21 promulgate the regulations for the establishment of
22 a leasing program authorized by this subtitle before
23 the conduct of the first lease sale.

24 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
25 TIONS.—

1 (A) IN GENERAL.—Before conducting the
2 first lease sale under this subtitle, the Secretary
3 shall prepare an environmental impact state-
4 ment in accordance with the National Environ-
5 mental Policy Act of 1969 (42 U.S.C. 4321 et
6 seq.) with respect to the actions authorized by
7 this subtitle that are not referred to in para-
8 graph (2).

9 (B) IDENTIFICATION AND ANALYSIS.—
10 Notwithstanding any other provision of law, in
11 carrying out this paragraph, the Secretary shall
12 not be required—

13 (i) to identify nonleasing alternative
14 courses of action; or

15 (ii) to analyze the environmental ef-
16 fects of those courses of action.

17 (C) IDENTIFICATION OF PREFERRED AC-
18 TION.—Not later than 18 months after the date
19 of enactment of this Act, the Secretary shall—

20 (i) identify only a preferred action and
21 a single leasing alternative for the first
22 lease sale authorized under this subtitle;
23 and

1 (ii) analyze the environmental effects
2 and potential mitigation measures for
3 those 2 alternatives.

4 (D) PUBLIC COMMENTS.—In carrying out
5 this paragraph, the Secretary shall consider
6 only public comments that are filed not later
7 than 20 days after the date of publication of a
8 draft environmental impact statement.

9 (E) EFFECT OF COMPLIANCE.—Notwith-
10 standing any other provision of law, compliance
11 with this paragraph shall be considered to sat-
12 isfy all requirements for the analysis and con-
13 sideration of the environmental effects of pro-
14 posed leasing under this subtitle.

15 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
16 ITY.—Nothing in this subtitle expands or limits any State
17 or local regulatory authority.

18 (e) SPECIAL AREAS.—

19 (1) DESIGNATION.—

20 (A) IN GENERAL.—The Secretary, after
21 consultation with the State of Alaska, the
22 North Slope Borough, Alaska, and the City of
23 Kaktovik, Alaska, may designate not more than
24 45,000 acres of the Coastal Plain as a special
25 area if the Secretary determines that the special

1 area would be of such unique character and in-
2 terest as to require special management and
3 regulatory protection.

4 (B) SADLEROCHIT SPRING AREA.—The
5 Secretary shall designate as a special area in
6 accordance with subparagraph (A) the
7 Sadlerochit Spring area, comprising approxi-
8 mately 4,000 acres as depicted on the map.

9 (2) MANAGEMENT.—The Secretary shall man-
10 age each special area designated under this sub-
11 section in a manner that—

12 (A) respects and protects the Native people
13 of the area; and

14 (B) preserves the unique and diverse char-
15 acter of the area, including fish, wildlife, sub-
16 sistence resources, and cultural values of the
17 area.

18 (3) EXCLUSION FROM LEASING OR SURFACE
19 OCCUPANCY.—

20 (A) IN GENERAL.—The Secretary may ex-
21 clude any special area designated under this
22 subsection from leasing.

23 (B) NO SURFACE OCCUPANCY.—If the Sec-
24 retary leases all or a portion of a special area
25 for the purposes of oil and gas exploration, de-

1 velopment, production, and related activities,
2 there shall be no surface occupancy of the land
3 comprising the special area.

4 (4) DIRECTIONAL DRILLING.—Notwithstanding
5 any other provision of this subsection, the Secretary
6 may lease all or a portion of a special area under
7 terms that permit the use of horizontal drilling tech-
8 nology from sites on leases located outside the spe-
9 cial area.

10 (f) LIMITATION ON CLOSED AREAS.—The Secretary
11 may not close land within the Coastal Plain to oil and gas
12 leasing or to exploration, development, or production ex-
13 cept in accordance with this subtitle.

14 (g) REGULATIONS.—

15 (1) IN GENERAL.—Not later than 15 months
16 after the date of enactment of this Act, in consulta-
17 tion with appropriate agencies of the State of Alas-
18 ka, the North Slope Borough, Alaska, and the City
19 of Kaktovik, Alaska, the Secretary shall issue such
20 regulations as are necessary to carry out this sub-
21 title, including rules and regulations relating to pro-
22 tection of the fish and wildlife, fish and wildlife habi-
23 tat, and subsistence resources of the Coastal Plain.

24 (2) REVISION OF REGULATIONS.—The Sec-
25 retary may periodically review and, as appropriate,

1 revise the rules and regulations issued under para-
2 graph (1) to reflect any significant scientific or engi-
3 neering data that come to the attention of the Sec-
4 retary.

5 **SEC. 113. LEASE SALES.**

6 (a) **IN GENERAL.**—Land may be leased pursuant to
7 this subtitle to any person qualified to obtain a lease for
8 deposits of oil and gas under the Mineral Leasing Act (30
9 U.S.C. 181 et seq.).

10 (b) **PROCEDURES.**—The Secretary shall, by regula-
11 tion, establish procedures for—

12 (1) receipt and consideration of sealed nomina-
13 tions for any area in the Coastal Plain for inclusion
14 in, or exclusion (as provided in subsection (e)) from,
15 a lease sale;

16 (2) the holding of lease sales after that nomina-
17 tion process; and

18 (3) public notice of and comment on designa-
19 tion of areas to be included in, or excluded from, a
20 lease sale.

21 (c) **LEASE SALE BIDS.**—Bidding for leases under
22 this subtitle shall be by sealed competitive cash bonus bids.

23 (d) **ACREAGE MINIMUM IN FIRST SALE.**—For the
24 first lease sale under this subtitle, the Secretary shall offer
25 for lease those tracts the Secretary considers to have the

1 greatest potential for the discovery of hydrocarbons, tak-
2 ing into consideration nominations received pursuant to
3 subsection (b)(1), but in no case less than 200,000 acres.

4 (e) **TIMING OF LEASE SALES.**—The Secretary
5 shall—

6 (1) not later than 22 months after the date of
7 enactment of this Act, conduct the first lease sale
8 under this subtitle;

9 (2) not later than September 30, 2012, conduct
10 a second lease sale under this subtitle; and

11 (3) conduct additional sales at appropriate in-
12 tervals if sufficient interest in exploration or devel-
13 opment exists to warrant the conduct of the addi-
14 tional sales.

15 **SEC. 114. GRANT OF LEASES BY THE SECRETARY.**

16 (a) **IN GENERAL.**—Upon payment by a lessee of such
17 bonus as may be accepted by the Secretary, the Secretary
18 may grant to the highest responsible qualified bidder in
19 a lease sale conducted pursuant to section 113 a lease for
20 any land on the Coastal Plain.

21 (b) **SUBSEQUENT TRANSFERS.**—

22 (1) **IN GENERAL.**—No lease issued under this
23 subtitle may be sold, exchanged, assigned, sublet, or
24 otherwise transferred except with the approval of the
25 Secretary.

1 (2) CONDITION FOR APPROVAL.—Before grant-
2 ing any approval described in paragraph (1), the
3 Secretary shall consult with and give due consider-
4 ation to the opinion of the Attorney General.

5 **SEC. 115. LEASE TERMS AND CONDITIONS.**

6 (a) IN GENERAL.—An oil or gas lease issued pursu-
7 ant to this subtitle shall—

8 (1) provide for the payment of a royalty of not
9 less than 16½ percent of the amount or value of the
10 production removed or sold from the lease, as deter-
11 mined by the Secretary in accordance with regula-
12 tions applicable to other Federal oil and gas leases;

13 (2) provide that the Secretary may close, on a
14 seasonal basis, such portions of the Coastal Plain to
15 exploratory drilling activities as are necessary to
16 protect caribou calving areas and other species of
17 fish and wildlife;

18 (3) require that each lessee of land within the
19 Coastal Plain shall be fully responsible and liable for
20 the reclamation of land within the Coastal Plain and
21 any other Federal land that is adversely affected in
22 connection with exploration, development, produc-
23 tion, or transportation activities within the Coastal
24 Plain conducted by the lessee or by any of the sub-
25 contractors or agents of the lessee;

1 (4) provide that the lessee may not delegate or
2 convey, by contract or otherwise, that reclamation
3 responsibility and liability to another person without
4 the express written approval of the Secretary;

5 (5) provide that the standard of reclamation for
6 land required to be reclaimed under this subtitle
7 shall be, to the maximum extent practicable—

8 (A) a condition capable of supporting the
9 uses that the land was capable of supporting
10 prior to any exploration, development, or pro-
11 duction activities; or

12 (B) upon application by the lessee, to a
13 higher or better standard, as approved by the
14 Secretary;

15 (6) contain terms and conditions relating to
16 protection of fish and wildlife, fish and wildlife habi-
17 tat, subsistence resources, and the environment as
18 required under section 112(a)(2);

19 (7) provide that each lessee, and each agent
20 and contractor of a lessee, use their best efforts to
21 provide a fair share of employment and contracting
22 for Alaska Natives and Alaska Native Corporations
23 from throughout the State of Alaska, as determined
24 by the level of obligation previously agreed to in the
25 Federal Agreement; and

1 (8) contain such other provisions as the Sec-
2 retary determines to be necessary to ensure compli-
3 ance with this subtitle and regulations issued under
4 this subtitle.

5 (b) **PROJECT LABOR AGREEMENTS.**—The Secretary,
6 as a term and condition of each lease under this subtitle,
7 and in recognizing the proprietary interest of the Federal
8 Government in labor stability and in the ability of con-
9 struction labor and management to meet the particular
10 needs and conditions of projects to be developed under the
11 leases issued pursuant to this subtitle (including the spe-
12 cial concerns of the parties to those leases), shall require
13 that each lessee, and each agent and contractor of a lessee,
14 under this subtitle negotiate to obtain a project labor
15 agreement for the employment of laborers and mechanics
16 on production, maintenance, and construction under the
17 lease.

18 **SEC. 116. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

19 (a) **NO SIGNIFICANT ADVERSE EFFECT STANDARD**
20 **TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.**—
21 In accordance with section 112, the Secretary shall admin-
22 ister this subtitle through regulations, lease terms, condi-
23 tions, restrictions, prohibitions, stipulations, or other pro-
24 visions that—

1 (1) ensure, to the maximum extent practicable,
2 that oil and gas exploration, development, and pro-
3 duction activities on the Coastal Plain will result in
4 no significant adverse effect on fish and wildlife, fish
5 and wildlife habitat, and the environment;

6 (2) require the application of the best commer-
7 cially available technology for oil and gas explo-
8 ration, development, and production on all new ex-
9 ploration, development, and production operations;
10 and

11 (3) ensure that the maximum surface acreage
12 covered in connection with the leasing program by
13 production and support facilities, including airstrips
14 and any areas covered by gravel berms or piers for
15 support of pipelines, does not exceed 2,000 acres on
16 the Coastal Plain.

17 (b) **SITE-SPECIFIC ASSESSMENT AND MITIGATION.**—

18 The Secretary shall require, with respect to any proposed
19 drilling and related activities on the Coastal Plain, that—

20 (1) a site-specific environmental analysis be
21 made of the probable effects, if any, that the drilling
22 or related activities will have on fish and wildlife,
23 fish and wildlife habitat, subsistence resources, sub-
24 sistence uses, and the environment;

1 (2) a plan be implemented to avoid, minimize,
2 and mitigate (in that order and to the maximum ex-
3 tent practicable) any significant adverse effect iden-
4 tified under paragraph (1); and

5 (3) the development of the plan occur after con-
6 sultation with—

7 (A) each agency having jurisdiction over
8 matters mitigated by the plan;

9 (B) the State of Alaska;

10 (C) North Slope Borough, Alaska; and

11 (D) the City of Kaktovik, Alaska.

12 (c) REGULATIONS TO PROTECT COASTAL PLAIN
13 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
14 AND THE ENVIRONMENT.—Before implementing the leas-
15 ing program authorized by this subtitle, the Secretary
16 shall prepare and issue regulations, lease terms, condi-
17 tions, restrictions, prohibitions, stipulations, or other
18 measures designed to ensure, to the maximum extent prac-
19 ticable, that the activities carried out on the Coastal Plain
20 under this subtitle are conducted in a manner consistent
21 with the purposes and environmental requirements of this
22 subtitle.

23 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
24 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
25 proposed regulations, lease terms, conditions, restrictions,

1 prohibitions, and stipulations for the leasing program
2 under this subtitle shall require—

3 (1) compliance with all applicable provisions of
4 Federal and State environmental law (including reg-
5 ulations);

6 (2) implementation of and compliance with—

7 (A) standards that are at least as effective
8 as the safety and environmental mitigation
9 measures, as described in items 1 through 29
10 on pages 167 through 169 of the Final State-
11 ment, on the Coastal Plain;

12 (B) seasonal limitations on exploration, de-
13 velopment, and related activities, as necessary,
14 to avoid significant adverse effects during peri-
15 ods of concentrated fish and wildlife breeding,
16 denning, nesting, spawning, and migration;

17 (C) design safety and construction stand-
18 ards for all pipelines and any access and service
19 roads that minimize, to the maximum extent
20 practicable, adverse effects on—

21 (i) the passage of migratory species
22 (such as caribou); and

23 (ii) the flow of surface water by re-
24 quiring the use of culverts, bridges, or
25 other structural devices;

1 (D) prohibitions on general public access
2 to, and use of, all pipeline access and service
3 roads;

4 (E) stringent reclamation and rehabilita-
5 tion requirements in accordance with this sub-
6 title for the removal from the Coastal Plain of
7 all oil and gas development and production fa-
8 cilities, structures, and equipment on comple-
9 tion of oil and gas production operations, except
10 in a case in which the Secretary determines
11 that those facilities, structures, or equipment—

12 (i) would assist in the management of
13 the Arctic National Wildlife Refuge; and

14 (ii) are donated to the United States
15 for that purpose;

16 (F) appropriate prohibitions or restrictions
17 on—

18 (i) access by all modes of transpor-
19 tation;

20 (ii) sand and gravel extraction; and

21 (iii) use of explosives;

22 (G) reasonable stipulations for protection
23 of cultural and archaeological resources;

24 (H) measures to protect groundwater and
25 surface water, including—

- 1 (i) avoidance, to the maximum extent
2 practicable, of springs, streams, and river
3 systems;
- 4 (ii) the protection of natural surface
5 drainage patterns and wetland and ripar-
6 ian habitats; and
- 7 (iii) the regulation of methods or tech-
8 niques for developing or transporting ade-
9 quate supplies of water for exploratory
10 drilling; and
- 11 (I) research, monitoring, and reporting re-
12 quirements;
- 13 (3) that exploration activities (except surface
14 geological studies) be limited to the period between
15 approximately November 1 and May 1 of each year
16 and be supported, if necessary, by ice roads, winter
17 trails with adequate snow cover, ice pads, ice air-
18 strips, and air transport methods (except that those
19 exploration activities may be permitted at other
20 times if the Secretary determines that the explo-
21 ration will have no significant adverse effect on fish
22 and wildlife, fish and wildlife habitat, subsistence re-
23 sources, and the environment of the Coastal Plain);
- 24 (4) consolidation of facility siting;

1 (5) avoidance or reduction of air traffic-related
2 disturbance to fish and wildlife;

3 (6) treatment and disposal of hazardous and
4 toxic wastes, solid wastes, reserve pit fluids, drilling
5 muds and cuttings, and domestic wastewater, includ-
6 ing, in accordance with applicable Federal and State
7 environmental laws (including regulations)—

8 (A) preparation of an annual waste man-
9 agement report;

10 (B) development and implementation of a
11 hazardous materials tracking system; and

12 (C) prohibition on the use of chlorinated
13 solvents;

14 (7) fuel storage and oil spill contingency plan-
15 ning;

16 (8) conduct of periodic field crew environmental
17 briefings;

18 (9) avoidance of significant adverse effects on
19 subsistence hunting, fishing, and trapping;

20 (10) compliance with applicable air and water
21 quality standards;

22 (11) appropriate seasonal and safety zone des-
23 ignations around well sites, within which subsistence
24 hunting and trapping shall be limited; and

1 (12) development and implementation of such
2 other protective environmental requirements, restric-
3 tions, terms, or conditions as the Secretary, after
4 consultation with the State of Alaska, North Slope
5 Borough, Alaska, and the City of Kaktovik, Alaska,
6 determines to be necessary.

7 (e) CONSIDERATIONS.—In preparing and issuing reg-
8 ulations, lease terms, conditions, restrictions, prohibitions,
9 or stipulations under this section, the Secretary shall take
10 into consideration—

11 (1) the stipulations and conditions that govern
12 the National Petroleum Reserve-Alaska leasing pro-
13 gram, as set forth in the 1999 Northeast National
14 Petroleum Reserve-Alaska Final Integrated Activity
15 Plan/Environmental Impact Statement;

16 (2) the environmental protection standards that
17 governed the initial Coastal Plain seismic exploration
18 program under parts 37.31 through 37.33 of title
19 50, Code of Federal Regulations (or successor regu-
20 lations); and

21 (3) the land use stipulations for exploratory
22 drilling on the KIC-ASRC private land described in
23 Appendix 2 of the agreement between Arctic Slope
24 Regional Corporation and the United States dated
25 August 9, 1983.

1 (f) FACILITY CONSOLIDATION PLANNING.—

2 (1) IN GENERAL.—After providing for public
3 notice and comment, the Secretary shall prepare and
4 periodically update a plan to govern, guide, and di-
5 rect the siting and construction of facilities for the
6 exploration, development, production, and transpor-
7 tation of oil and gas resources from the Coastal
8 Plain.

9 (2) OBJECTIVES.—The objectives of the plan
10 shall be—

11 (A) the avoidance of unnecessary duplica-
12 tion of facilities and activities;

13 (B) the encouragement of consolidation of
14 common facilities and activities;

15 (C) the location or confinement of facilities
16 and activities to areas that will minimize impact
17 on fish and wildlife, fish and wildlife habitat,
18 subsistence resources, and the environment;

19 (D) the use of existing facilities, to the
20 maximum extent practicable; and

21 (E) the enhancement of compatibility be-
22 tween wildlife values and development activities.

23 (g) ACCESS TO PUBLIC LAND.—The Secretary
24 shall—

1 (1) manage public land in the Coastal Plain in
2 accordance with subsections (a) and (b) of section
3 811 of the Alaska National Interest Lands Con-
4 servation Act (16 U.S.C. 3121); and

5 (2) ensure that local residents shall have rea-
6 sonable access to public land in the Coastal Plain for
7 traditional uses.

8 **SEC. 117. EXPEDITED JUDICIAL REVIEW.**

9 (a) FILING OF COMPLAINTS.—

10 (1) DEADLINE.—A complaint seeking judicial
11 review of a provision of this subtitle or an action of
12 the Secretary under this subtitle shall be filed—

13 (A) except as provided in subparagraph
14 (B), during the 90-day period beginning on the
15 date on which the action being challenged was
16 carried out; or

17 (B) in the case of a complaint based solely
18 on grounds arising after the 90-day period de-
19 scribed in subparagraph (A), during the 90-day
20 period beginning on the date on which the com-
21 plainant knew or reasonably should have known
22 about the grounds for the complaint.

23 (2) VENUE.—A complaint seeking judicial re-
24 view of a provision of this subtitle or an action of
25 the Secretary under this subtitle shall be filed in the

1 United States Court of Appeals for the District of
2 Columbia.

3 (3) SCOPE.—

4 (A) IN GENERAL.—Judicial review of a de-
5 cision of the Secretary under this subtitle (in-
6 cluding an environmental analysis of such a
7 lease sale) shall be—

8 (i) limited to a review of whether the
9 decision is in accordance with this subtitle;
10 and

11 (ii) based on the administrative record
12 of the decision.

13 (B) PRESUMPTIONS.—Any identification
14 by the Secretary of a preferred course of action
15 relating to a lease sale, and any analysis by the
16 Secretary of environmental effects, under this
17 subtitle shall be presumed to be correct unless
18 proven otherwise by clear and convincing evi-
19 dence.

20 (b) LIMITATION ON OTHER REVIEW.—Any action of
21 the Secretary that is subject to judicial review under this
22 section shall not be subject to judicial review in any civil
23 or criminal proceeding for enforcement.

1 **SEC. 118. RIGHTS-OF-WAY AND EASEMENTS ACROSS COAST-**
2 **AL PLAIN.**

3 For purposes of section 1102(4)(A) of the Alaska Na-
4 tional Interest Lands Conservation Act (16 U.S.C.
5 3162(4)(A)), any rights-of-way or easements across the
6 Coastal Plain for the exploration, development, produc-
7 tion, or transportation of oil and gas shall be considered
8 to be established incident to the management of the Coast-
9 al Plain under this section.

10 **SEC. 119. CONVEYANCE.**

11 Notwithstanding section 1302(h)(2) of the Alaska
12 National Interest Lands Conservation Act (16 U.S.C.
13 3192(h)(2)), to remove any cloud on title to land, and to
14 clarify land ownership patterns in the Coastal Plain, the
15 Secretary shall—

16 (1) to the extent necessary to fulfill the entitle-
17 ment of the Kaktovik Inupiat Corporation under sec-
18 tions 12 and 14 of the Alaska Native Claims Settle-
19 ment Act (43 U.S.C. 1611, 1613), as determined by
20 the Secretary, convey to that Corporation the sur-
21 face estate of the land described in paragraph (1) of
22 Public Land Order 6959, in accordance with the
23 terms and conditions of the agreement between the
24 Secretary, the United States Fish and Wildlife Serv-
25 ice, the Bureau of Land Management, and the

1 Kaktovik Inupiat Corporation, dated January 22,
2 1993; and

3 (2) convey to the Arctic Slope Regional Cor-
4 poration the remaining subsurface estate to which
5 that Corporation is entitled under the agreement be-
6 tween that corporation and the United States, dated
7 August 9, 1983.

8 **SEC. 120. LOCAL GOVERNMENT IMPACT AID AND COMMU-**
9 **NITY SERVICE ASSISTANCE.**

10 (a) ESTABLISHMENT OF FUND.—

11 (1) IN GENERAL.—As a condition on the receipt
12 of funds under section 122(2), the State of Alaska
13 shall establish in the treasury of the State, and ad-
14 minister in accordance with this section, a fund to
15 be known as the “Coastal Plain Local Government
16 Impact Aid Assistance Fund” (referred to in this
17 section as the “Fund”).

18 (2) DEPOSITS.—Subject to paragraph (1), the
19 Secretary of the Treasury shall deposit into the
20 Fund, \$35,000,000 each year from the amount
21 available under section 122(2)(A).

22 (3) INVESTMENT.—The Governor of the State
23 of Alaska (referred to in this section as the “Gov-
24 ernor”) shall invest amounts in the Fund in interest-

1 bearing securities of the United States or the State
2 of Alaska.

3 (b) ASSISTANCE.—The Governor, in cooperation with
4 the Mayor of the North Slope Borough, shall use amounts
5 in the Fund to provide assistance to North Slope Borough,
6 Alaska, the City of Kaktovik, Alaska, and any other bor-
7 ough, municipal subdivision, village, or other community
8 in the State of Alaska that is directly impacted by explo-
9 ration for, or the production of, oil or gas on the Coastal
10 Plain under this subtitle, or any Alaska Native Regional
11 Corporation acting on behalf of the villages and commu-
12 nities within its region whose lands lie along the right of
13 way of the Trans Alaska Pipeline System, as determined
14 by the Governor.

15 (c) APPLICATION.—

16 (1) IN GENERAL.—To receive assistance under
17 subsection (b), a community or Regional Corporation
18 described in that subsection shall submit to the Gov-
19 ernor, or to the Mayor of the North Slope Borough,
20 an application in such time, in such manner, and
21 containing such information as the Governor may re-
22 quire.

23 (2) ACTION BY NORTH SLOPE BOROUGH.—The
24 Mayor of the North Slope Borough shall submit to
25 the Governor each application received under para-

1 graph (1) as soon as practicable after the date on
2 which the application is received.

3 (3) ASSISTANCE OF GOVERNOR.—The Governor
4 shall assist communities in submitting applications
5 under this subsection, to the maximum extent prac-
6 ticable.

7 (d) USE OF FUNDS.—A community or Regional Cor-
8 poration that receives funds under subsection (b) may use
9 the funds—

10 (1) to plan for mitigation, implement a mitiga-
11 tion plan, or maintain a mitigation project to ad-
12 dress the potential effects of oil and gas exploration
13 and development on environmental, social, cultural,
14 recreational, and subsistence resources of the com-
15 munity;

16 (2) to develop, carry out, and maintain—

17 (A) a project to provide new or expanded
18 public facilities; or

19 (B) services to address the needs and prob-
20 lems associated with the effects described in
21 paragraph (1), including firefighting, police,
22 water and waste treatment, first responder, and
23 other medical services;

24 (3) to compensate residents of the Coastal
25 Plain for significant damage to environmental, so-

1 cial, cultural, recreational, or subsistence resources;
2 and

3 (4) in the City of Kaktovik, Alaska—

4 (A) to develop a mechanism for providing
5 members of the Kaktovikmiut Inupiat commu-
6 nity an opportunity to—

7 (i) monitor development on the Coast-
8 al Plain; and

9 (ii) provide information and rec-
10 ommendations to the Governor based on
11 traditional aboriginal knowledge of the nat-
12 ural resources, flora, fauna, and ecological
13 processes of the Coastal Plain; and

14 (B) to establish a local coordination office,
15 to be managed by the Mayor of the North Slope
16 Borough, in coordination with the City of
17 Kaktovik, Alaska—

18 (i) to coordinate with and advise de-
19 velopers on local conditions and the history
20 of areas affected by development;

21 (ii) to provide to the Committee on
22 Resources of the House of Representatives
23 and the Committee on Energy and Natural
24 Resources of the Senate annual reports on
25 the status of the coordination between de-

1 developers and communities affected by de-
2 velopment;

3 (iii) to collect from residents of the
4 Coastal Plain information regarding the
5 impacts of development on fish, wildlife,
6 habitats, subsistence resources, and the en-
7 vironment of the Coastal Plain; and

8 (iv) to ensure that the information
9 collected under clause (iii) is submitted
10 to—

11 (I) developers; and

12 (II) any appropriate Federal
13 agency.

14 **SEC. 121. PROHIBITION ON EXPORTS.**

15 An oil or gas lease issued under this subtitle shall
16 prohibit the exportation of oil or gas produced under the
17 lease.

18 **SEC. 122. ALLOCATION OF REVENUES.**

19 Notwithstanding the Mineral Leasing Act (30 U.S.C.
20 181 et seq.) or any other provision of law, of the adjusted
21 bonus, rental, and royalty receipts from Federal oil and
22 gas leasing and operations authorized under this subtitle:

23 (1) 50 percent shall be deposited in the general
24 fund of the Treasury.

25 (2) The remainder shall be available as follows:

1 (A) \$35,000,000 shall be deposited by the
2 Secretary of the Treasury into the fund created
3 under section 120(a)(1).

4 (B) The remainder shall be disbursed to
5 the State of Alaska.

6 **Subtitle C—Permitting**

7 **SEC. 131. REFINERY PERMITTING PROCESS.**

8 (a) DEFINITIONS.—In this section:

9 (1) ADMINISTRATOR.—The term “Adminis-
10 trator” means the Administrator of the Environ-
11 mental Protection Agency.

12 (2) INDIAN TRIBE.—The term “Indian tribe”
13 has the meaning given the term in section 4 of the
14 Indian Self-Determination and Education Assistance
15 Act (25 U.S.C. 450b).

16 (3) PERMIT.—The term “permit” means any
17 permit, license, approval, variance, or other form of
18 authorization that a refiner is required to obtain—

19 (A) under any Federal law; or

20 (B) from a State or Indian tribal govern-
21 ment agency delegated authority by the Federal
22 Government, or authorized under Federal law,
23 to issue permits.

24 (4) REFINER.—The term “refiner” means a
25 person that—

1 (A) owns or operates a refinery; or

2 (B) seeks to become an owner or operator
3 of a refinery.

4 (5) REFINERY.—

5 (A) IN GENERAL.—The term “refinery”
6 means—

7 (i) a facility at which crude oil is re-
8 fined into transportation fuel or other pe-
9 troleum products; and

10 (ii) a coal liquification or coal-to-liquid
11 facility at which coal is processed into syn-
12 thetic crude oil or any other fuel.

13 (B) INCLUSIONS.—The term “refinery” in-
14 cludes an expansion of a refinery.

15 (6) REFINERY EXPANSION.—The term “refin-
16 ery expansion” means a physical change in a refin-
17 ery that results in an increase in the capacity of the
18 refinery.

19 (7) REFINERY PERMITTING AGREEMENT.—The
20 term “refinery permitting agreement” means an
21 agreement entered into between the Administrator
22 and a State or Indian tribe under subsection (b).

23 (8) SECRETARY.—The term “Secretary” means
24 the Secretary of Commerce.

25 (9) STATE.—The term “State” means—

- 1 (A) a State;
- 2 (B) the District of Columbia;
- 3 (C) the Commonwealth of Puerto Rico;
- 4 and
- 5 (D) any other territory or possession of the
- 6 United States.

7 (b) STREAMLINING OF REFINERY PERMITTING

8 PROCESS.—

9 (1) IN GENERAL.—At the request of the Gov-

10 ernor of a State or the governing body of an Indian

11 tribe, the Administrator shall enter into a refinery

12 permitting agreement with the State or Indian tribe

13 under which the process for obtaining all permits

14 necessary for the construction and operation of a re-

15 finery shall be streamlined using a systematic inter-

16 disciplinary multimedia approach as provided in this

17 section.

18 (2) AUTHORITY OF ADMINISTRATOR.—Under a

19 refinery permitting agreement—

20 (A) the Administrator shall have authority,

21 as applicable and necessary, to—

22 (i) accept from a refiner a consoli-

23 dated application for all permits that the

24 refiner is required to obtain to construct

25 and operate a refinery;

1 (ii) in consultation and cooperation
2 with each Federal, State, or Indian tribal
3 government agency that is required to
4 make any determination to authorize the
5 issuance of a permit, establish a schedule
6 under which each agency shall—

7 (I) concurrently consider, to the
8 maximum extent practicable, each de-
9 termination to be made; and

10 (II) complete each step in the
11 permitting process; and

12 (iii) issue a consolidated permit that
13 combines all permits issued under the
14 schedule established under clause (ii); and

15 (B) the Administrator shall provide to
16 State and Indian tribal government agencies—

17 (i) financial assistance in such
18 amounts as the agencies reasonably require
19 to hire such additional personnel as are
20 necessary to enable the government agen-
21 cies to comply with the applicable schedule
22 established under subparagraph (A)(ii);
23 and

1 (ii) technical, legal, and other assist-
2 ance in complying with the refinery permit-
3 ting agreement.

4 (3) AGREEMENT BY THE STATE.—Under a re-
5 finery permitting agreement, a State or governing
6 body of an Indian tribe shall agree that—

7 (A) the Administrator shall have each of
8 the authorities described in paragraph (2); and

9 (B) each State or Indian tribal government
10 agency shall—

11 (i) in accordance with State law, make
12 such structural and operational changes in
13 the agencies as are necessary to enable the
14 agencies to carry out consolidated project-
15 wide permit reviews concurrently and in
16 coordination with the Environmental Pro-
17 tection Agency and other Federal agencies;
18 and

19 (ii) comply, to the maximum extent
20 practicable, with the applicable schedule
21 established under paragraph (2)(A)(ii).

22 (4) DEADLINES.—

23 (A) NEW REFINERIES.—In the case of a
24 consolidated permit for the construction of a
25 new refinery, the Administrator and the State

1 or governing body of an Indian tribe shall ap-
2 prove or disapprove the consolidated permit not
3 later than—

4 (i) 360 days after the date of the re-
5 ceipt of the administratively complete ap-
6 plication for the consolidated permit; or

7 (ii) on agreement of the applicant, the
8 Administrator, and the State or governing
9 body of the Indian tribe, 90 days after the
10 expiration of the deadline established
11 under clause (i).

12 (B) EXPANSION OF EXISTING REFIN-
13 ERIES.—In the case of a consolidated permit
14 for the expansion of an existing refinery, the
15 Administrator and the State or governing body
16 of an Indian tribe shall approve or disapprove
17 the consolidated permit not later than—

18 (i) 120 days after the date of the re-
19 ceipt of the administratively complete ap-
20 plication for the consolidated permit; or

21 (ii) on agreement of the applicant, the
22 Administrator, and the State or governing
23 body of the Indian tribe, 30 days after the
24 expiration of the deadline established
25 under clause (i).

1 (5) FEDERAL AGENCIES.—Each Federal agency
2 that is required to make any determination to au-
3 thorize the issuance of a permit shall comply with
4 the applicable schedule established under paragraph
5 (2)(A)(ii).

6 (6) JUDICIAL REVIEW.—Any civil action for re-
7 view of any permit determination under a refinery
8 permitting agreement shall be brought exclusively in
9 the United States district court for the district in
10 which the refinery is located or proposed to be lo-
11 cated.

12 (7) EFFICIENT PERMIT REVIEW.—In order to
13 reduce the duplication of procedures, the Adminis-
14 trator shall use State permitting and monitoring
15 procedures to satisfy substantially equivalent Fed-
16 eral requirements under this title.

17 (8) SEVERABILITY.—If 1 or more permits that
18 are required for the construction or operation of a
19 refinery are not approved on or before any deadline
20 established under paragraph (4), the Administrator
21 may issue a consolidated permit that combines all
22 other permits that the refiner is required to obtain
23 other than any permits that are not approved.

24 (9) SAVINGS.—Nothing in this subsection af-
25 fects the operation or implementation of otherwise

1 applicable law regarding permits necessary for the
2 construction and operation of a refinery.

3 (10) CONSULTATION WITH LOCAL GOVERN-
4 MENTS.—Congress encourages the Administrator,
5 States, and tribal governments to consult, to the
6 maximum extent practicable, with local governments
7 in carrying out this subsection.

8 (11) AUTHORIZATION OF APPROPRIATIONS.—
9 There are authorized to be appropriated such sums
10 as are necessary to carry out this subsection.

11 (12) EFFECT ON LOCAL AUTHORITY.—Nothing
12 in this subsection affects—

13 (A) the authority of a local government
14 with respect to the issuance of permits; or

15 (B) any requirement or ordinance of a
16 local government (such as a zoning regulation).

17 (c) FISCHER-TROPSCH FUELS.—

18 (1) IN GENERAL.—In cooperation with the Sec-
19 retary of Energy, the Secretary of Defense, the Ad-
20 ministrator of the Federal Aviation Administration,
21 Secretary of Health and Human Services, and
22 Fischer-Tropsch industry representatives, the Ad-
23 ministrator shall—

24 (A) conduct a research and demonstration
25 program to evaluate the air quality benefits of

1 ultra-clean Fischer-Tropsch transportation fuel,
2 including diesel and jet fuel;

3 (B) evaluate the use of ultra-clean Fischer-
4 Tropsch transportation fuel as a mechanism for
5 reducing engine exhaust emissions; and

6 (C) submit recommendations to Congress
7 on the most effective use and associated bene-
8 fits of these ultra-clean fuel for reducing public
9 exposure to exhaust emissions.

10 (2) GUIDANCE AND TECHNICAL SUPPORT.—The
11 Administrator shall, to the extent necessary, issue
12 any guidance or technical support documents that
13 would facilitate the effective use and associated ben-
14 efit of Fischer-Tropsch fuel and blends.

15 (3) REQUIREMENTS.—The program described
16 in paragraph (1) shall consider—

17 (A) the use of neat (100 percent) Fischer-
18 Tropsch fuel and blends with conventional
19 crude oil-derived fuel for heavy-duty and light-
20 duty diesel engines and the aviation sector; and

21 (B) the production costs associated with
22 domestic production of those ultra clean fuel
23 and prices for consumers.

24 (4) REPORTS.—The Administrator shall submit
25 to the Committee on Environment and Public Works

1 and the Committee on Energy and Natural Re-
2 sources of the Senate and the Committee on Energy
3 and Commerce of the House of Representatives—

4 (A) not later than 1 year, an interim re-
5 port on actions taken to carry out this sub-
6 section; and

7 (B) not later than 2 years, a final report
8 on actions taken to carry out this subsection.

9 **SEC. 132. REMOVAL OF ADDITIONAL FEE FOR NEW APPLI-**
10 **CATIONS FOR PERMITS TO DRILL.**

11 The second undesignated paragraph of the matter
12 under the heading “MANAGEMENT OF LANDS AND RE-
13 SOURCES” under the heading “BUREAU OF LAND MAN-
14 AGEMENT” of title I of the Department of the Interior,
15 Environment, and Related Agencies Appropriations Act,
16 2008 (Public Law 110–161; 121 Stat. 2098) is amended
17 by striking “to be reduced” and all that follows through
18 “each new application,”.

19 **Subtitle D—Strategic Petroleum**
20 **Reserve**

21 **SEC. 141. SUSPENSION OF PETROLEUM ACQUISITION FOR**
22 **STRATEGIC PETROLEUM RESERVE.**

23 (a) IN GENERAL.—Except as provided in subsection
24 (b) and notwithstanding any other provision of law, during

1 the 180-day period beginning on the date of enactment
2 of this Act—

3 (1) the Secretary of the Interior shall suspend
4 acquisition of petroleum for the Strategic Petroleum
5 Reserve through the royalty-in-kind program; and

6 (2) the Secretary of Energy shall suspend ac-
7 quisition of petroleum for the Strategic Petroleum
8 Reserve through any other acquisition method.

9 (b) RESUMPTION.—Effective beginning on the day
10 after the end of the period described in subsection (a)—

11 (1) the Secretary of the Interior may resume
12 acquisition of petroleum for the Strategic Petroleum
13 Reserve through the royalty-in-kind program; and

14 (2) the Secretary of Energy may resume acqui-
15 sition of petroleum for the Strategic Petroleum Re-
16 serve through any other acquisition method.

17 **Subtitle E—Restoration of State** 18 **Revenue**

19 **SEC. 151. RESTORATION OF STATE REVENUE.**

20 The matter under the heading “ADMINISTRATIVE
21 PROVISIONS” under the heading “MINERALS MANAGE-
22 MENT SERVICE” of title I of the Department of the Inte-
23 rior, Environment, and Related Agencies Appropriations
24 Act, 2008 (Public Law 110–161; 121 Stat. 2109) is

1 amended by striking “Notwithstanding” and all that fol-
2 lows through “Treasury.”

3 **TITLE II—ALTERNATIVE**
4 **RESOURCES**
5 **Subtitle A—Renewable Fuel and**
6 **Advanced Energy Technology**

7 **SEC. 201. DEFINITION OF RENEWABLE BIOMASS.**

8 Section 211(o)(1) of the Clean Air Act (42 U.S.C.
9 7545(o)(1)) is amended by striking subparagraph (I) and
10 inserting the following:

11 “(I) RENEWABLE BIOMASS.—The term ‘re-
12 newable biomass’ means—

13 “(i) nonmerchantable materials or
14 precommercial thinnings that—

15 “(I) are byproducts of preventive
16 treatments, such as trees, wood,
17 brush, thinnings, chips, and slash,
18 that are removed—

19 “(aa) to reduce hazardous
20 fuels;

21 “(bb) to reduce or contain
22 disease or insect infestation; or

23 “(cc) to restore forest
24 health;

1 “(II) would not otherwise be used
2 for higher-value products; and

3 “(III) are harvested from Na-
4 tional Forest System land or public
5 land (as defined in section 103 of the
6 Federal Land Policy and Management
7 Act of 1976 (43 U.S.C. 1702))—

8 “(aa) where permitted by
9 law; and

10 “(bb) in accordance with ap-
11 plicable land management plans
12 and the requirements for old-
13 growth maintenance, restoration,
14 and management direction of
15 paragraphs (2), (3), and (4) of
16 subsection (e) and the require-
17 ments for large-tree retention of
18 subsection (f) of section 102 of
19 the Healthy Forests Restoration
20 Act of 2003 (16 U.S.C. 6512); or

21 “(ii) any organic matter that is avail-
22 able on a renewable or recurring basis
23 from non-Federal land or from land be-
24 longing to an Indian tribe, or an Indian in-
25 dividual, that is held in trust by the United

1 States or subject to a restriction against
2 alienation imposed by the United States,
3 including—

4 “(I) renewable plant material, in-
5 cluding—

6 “(aa) feed grains;

7 “(bb) other agricultural
8 commodities;

9 “(cc) other plants and trees;
10 and

11 “(dd) algae; and

12 “(II) waste material, including—

13 “(aa) crop residue;

14 “(bb) other vegetative waste
15 material (including wood waste
16 and wood residues);

17 “(cc) animal waste and by-
18 products (including fats, oils,
19 greases, and manure); and

20 “(dd) food waste and yard
21 waste.”.

22 **SEC. 202. ADVANCED BATTERY MANUFACTURING INCEN-**
23 **TIVE PROGRAM.**

24 (a) **DEFINITIONS.**—In this section:

1 (1) **ADVANCED BATTERY.**—The term “advanced
2 battery” means an electrical storage device suitable
3 for vehicle applications.

4 (2) **ENGINEERING INTEGRATION COSTS.**—The
5 term “engineering integration costs” includes the
6 cost of engineering tasks relating to—

7 (A) incorporation of qualifying components
8 into the design of advanced batteries; and

9 (B) design of tooling and equipment and
10 developing manufacturing processes and mate-
11 rial suppliers for production facilities that
12 produce qualifying components or advanced bat-
13 teries.

14 (b) **ADVANCED BATTERY MANUFACTURING FACIL-**
15 **ITY.**—The Secretary shall provide facility funding awards
16 under this section to advanced battery manufacturers to
17 pay not more than 30 percent of the cost of reequipping,
18 expanding, or establishing a manufacturing facility in the
19 United States to produce advanced batteries.

20 (c) **PERIOD OF AVAILABILITY.**—An award under sub-
21 section (b) shall apply to—

22 (1) facilities and equipment placed in service
23 before December 30, 2020; and

1 (2) engineering integration costs incurred dur-
2 ing the period beginning on the date of enactment
3 of this Act and ending on December 30, 2020.

4 (d) DIRECT LOAN PROGRAM.—

5 (1) IN GENERAL.—Not later than 1 year after
6 the date of enactment of this Act, and subject to the
7 availability of appropriated funds, the Secretary
8 shall carry out a program to provide a total of not
9 more than \$25,000,000 in loans to eligible individ-
10 uals and entities (as determined by the Secretary)
11 for the costs of activities described in subsection (b).

12 (2) SELECTION OF ELIGIBLE PROJECTS.—The
13 Secretary shall select eligible projects to receive
14 loans under this subsection in cases in which, as de-
15 termined by the Secretary, the award recipient—

16 (A) is financially viable without the receipt
17 of additional Federal funding associated with
18 the proposed project;

19 (B) will provide sufficient information to
20 the Secretary for the Secretary to ensure that
21 the qualified investment is expended efficiently
22 and effectively; and

23 (C) has met such other criteria as may be
24 established and published by the Secretary.

1 (3) RATES, TERMS, AND REPAYMENT OF
2 LOANS.—A loan provided under this subsection—

3 (A) shall have an interest rate that, as of
4 the date on which the loan is made, is equal to
5 the cost of funds to the Department of the
6 Treasury for obligations of comparable matu-
7 rity;

8 (B) shall have a term equal to the lesser
9 of—

10 (i) the projected life, in years, of the
11 eligible project to be carried out using
12 funds from the loan, as determined by the
13 Secretary; and

14 (ii) 25 years;

15 (C) may be subject to a deferral in repay-
16 ment for not more than 5 years after the date
17 on which the eligible project carried out using
18 funds from the loan first begins operations, as
19 determined by the Secretary; and

20 (D) shall be made by the Federal Financ-
21 ing Bank.

22 (e) FEES.—The cost of administering a loan made
23 under this section shall not exceed \$100,000.

24 (f) SET ASIDE FOR SMALL MANUFACTURERS.—

1 (1) DEFINITION OF COVERED FIRM.—In this
2 subsection, the term “covered firm” means a firm
3 that—

4 (A) employs fewer than 500 individuals;
5 and

6 (B) manufactures automobiles or compo-
7 nents of automobiles.

8 (2) SET ASIDE.—Of the amount of funds used
9 to provide awards for each fiscal year under sub-
10 section (b), the Secretary shall use not less than 10
11 percent to provide awards to covered firms or con-
12 sortia led by a covered firm.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated such sums as are nec-
15 essary to carry out this section for each of fiscal years
16 2009 through 2013.

17 **SEC. 203. BIOFUELS INFRASTRUCTURE AND ADDITIVES RE-**
18 **SEARCH AND DEVELOPMENT.**

19 (a) IN GENERAL.—The Assistant Administrator of
20 the Office of Research and Development of the Environ-
21 mental Protection Agency (referred to in this section as
22 the “Assistant Administrator”), in consultation with the
23 Secretary and the National Institute of Standards and
24 Technology, shall carry out a program of research and de-
25 velopment of materials to be added to biofuels to make

1 the biofuels more compatible with infrastructure used to
2 store and deliver petroleum-based fuels to the point of
3 final sale.

4 (b) REQUIREMENTS.—In carrying out the program
5 described in subsection (a), the Assistant Administrator
6 shall address—

7 (1) materials to prevent or mitigate—

8 (A) corrosion of metal, plastic, rubber,
9 cork, fiberglass, glues, or any other material
10 used in pipes and storage tanks;

11 (B) dissolving of storage tank sediments;

12 (C) clogging of filters;

13 (D) contamination from water or other
14 adulterants or pollutants;

15 (E) poor flow properties relating to low
16 temperatures;

17 (F) oxidative and thermal instability in
18 long-term storage and use; and

19 (G) microbial contamination;

20 (2) problems associated with electrical conduc-
21 tivity;

22 (3) alternatives to conventional methods for re-
23 furbishment and cleaning of gasoline and diesel
24 tanks, including tank lining applications;

1 (4) strategies to minimize emissions from infra-
2 structure;

3 (5) issues with respect to certification by a na-
4 tionally recognized testing laboratory of components
5 for fuel-dispensing devices that specifically reference
6 compatibility with alcohol-blended fuels and other
7 biofuels that contain greater than 15 percent alco-
8 hol;

9 (6) challenges for design, reforming, storage,
10 handling, and dispensing hydrogen fuel from various
11 feedstocks, including biomass, from neighborhood
12 fueling stations, including codes and standards de-
13 velopment necessary beyond that carried out under
14 section 809 of the Energy Policy Act of 2005 (42
15 U.S.C. 16158);

16 (7) issues with respect to at which point in the
17 fuel supply chain additives optimally should be
18 added to fuels; and

19 (8) other problems, as identified by the Assist-
20 ant Administrator, in consultation with the Sec-
21 retary and the National Institute of Standards and
22 Technology.

1 **SEC. 204. STUDY OF INCREASED CONSUMPTION OF ETH-**
2 **ANOL-BLENDED GASOLINE WITH HIGHER**
3 **LEVELS OF ETHANOL.**

4 (a) IN GENERAL.—The Secretary, in cooperation
5 with the Secretary of Agriculture, the Administrator of the
6 Environmental Protection Agency, and the Secretary of
7 Transportation, and after providing notice and an oppor-
8 tunity for public comment, shall conduct a study of the
9 feasibility of increasing consumption in the United States
10 of ethanol-blended gasoline with levels of ethanol that are
11 not less than 10 percent and not more than 40 percent.

12 (b) STUDY.—The study under subsection (a) shall in-
13 clude—

14 (1) a review of production and infrastructure
15 constraints on increasing consumption of ethanol;

16 (2) an evaluation of the economic, market, and
17 energy-related impacts of State and regional dif-
18 ferences in ethanol blends;

19 (3) an evaluation of the economic, market, and
20 energy-related impacts on gasoline retailers and con-
21 sumers of separate and distinctly labeled fuel stor-
22 age facilities and dispensers;

23 (4) an evaluation of the environmental impacts
24 of mid-level ethanol blends on evaporative and ex-
25 haust emissions from on-road, off-road, and marine
26 engines, recreational boats, vehicles, and equipment;

1 (5) an evaluation of the impacts of mid-level
2 ethanol blends on the operation, durability, and per-
3 formance of on-road, off-road, and marine engines,
4 recreational boats, vehicles, and equipment;

5 (6) an evaluation of the safety impacts of mid-
6 level ethanol blends on consumers that own and op-
7 erate off-road and marine engines, recreational
8 boats, vehicles, or equipment; and

9 (7) an evaluation of the impacts of increased
10 use of renewable fuels derived from food crops on
11 the price and supply of agricultural commodities in
12 both domestic and global markets.

13 (c) REPORT.—Not later than 1 year after the date
14 of enactment of this Act, the Secretary shall submit to
15 Congress a report describing the results of the study con-
16 ducted under this section.

17 **SEC. 205. STUDY OF DIESEL VEHICLE ATTRIBUTES.**

18 (a) IN GENERAL.—The Secretary, in consultation
19 with the Administrator of the Environmental Protection
20 Agency and the Secretary of Transportation, shall conduct
21 a study to identify –

22 (1) the environmental and efficiency attributes
23 of diesel-fueled vehicles as the vehicles compare to
24 comparable gasoline fueled, E-85 fueled, and hybrid
25 vehicles;

1 (2) the technical, economic, regulatory, environ-
2 mental, and other obstacles to increasing the usage
3 of diesel-fueled vehicles;

4 (3) the legislative, administrative, and other ac-
5 tions that could reduce or eliminate the obstacles
6 identified under paragraph (2); and

7 (4) the costs and benefits associated with re-
8 ducing or eliminating the obstacles identified under
9 paragraph (2).

10 (b) REPORT.—Not later than 90 days after the date
11 of enactment of this Act, the Secretary shall submit to
12 the Committee on Energy and Natural Resources of the
13 Senate and the Committee on Energy and Commerce of
14 the House of Representatives a report describing the re-
15 sults of the study conducted under subsection (a).

16 (c) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated such sums as are nec-
18 essary to carry out this section.

19 **Subtitle B—Clean Coal-Derived** 20 **Fuels for Energy Security**

21 **SEC. 211. SHORT TITLE.**

22 This subtitle may be cited as the “Clean Coal-Derived
23 Fuels for Energy Security Act of 2008”.

24 **SEC. 212. DEFINITIONS.**

25 In this subtitle:

1 (1) CLEAN COAL-DERIVED FUEL.—

2 (A) IN GENERAL.—The term “clean coal-
3 derived fuel” means aviation fuel, motor vehicle
4 fuel, home heating oil, or boiler fuel that is—

5 (i) substantially derived from the coal
6 resources of the United States; and

7 (ii) refined or otherwise processed at a
8 facility located in the United States that
9 captures up to 100 percent of the carbon
10 dioxide emissions that would otherwise be
11 released at the facility.

12 (B) INCLUSIONS.—The term “clean coal-
13 derived fuel” may include any other resource
14 that is extracted, grown, produced, or recovered
15 in the United States.

16 (2) COVERED FUEL.—The term “covered fuel”
17 means—

18 (A) aviation fuel;

19 (B) motor vehicle fuel;

20 (C) home heating oil; and

21 (D) boiler fuel.

22 (3) SMALL REFINERY.—The term “small refin-
23 ery” means a refinery for which the average aggre-
24 gate daily crude oil throughput for a calendar year
25 (as determined by dividing the aggregate throughput

1 for the calendar year by the number of days in the
2 calendar year) does not exceed 75,000 barrels.

3 **SEC. 213. CLEAN COAL-DERIVED FUEL PROGRAM.**

4 (a) PROGRAM.—

5 (1) IN GENERAL.—Not later than 1 year after
6 the date of enactment of this Act, the President
7 shall promulgate regulations to ensure that covered
8 fuel sold or introduced into commerce in the United
9 States (except in noncontiguous States or terri-
10 tories), on an annual average basis, contains the ap-
11 plicable volume of clean coal-derived fuel determined
12 in accordance with paragraph (4).

13 (2) PROVISIONS OF REGULATIONS.—Regardless
14 of the date of promulgation, the regulations promul-
15 gated under paragraph (1)—

16 (A) shall contain compliance provisions ap-
17 plicable to refineries, blenders, distributors, and
18 importers, as appropriate, to ensure that—

19 (i) the requirements of this subsection
20 are met; and

21 (ii) clean coal-derived fuels produced
22 from facilities for the purpose of compli-
23 ance with this subtitle result in life cycle
24 greenhouse gas emissions that are not
25 greater than gasoline; and

1 (B) shall not—

2 (i) restrict geographic areas in the
3 contiguous United States in which clean
4 coal-derived fuel may be used; or

5 (ii) impose any per-gallon obligation
6 for the use of clean coal-derived fuel.

7 (3) RELATIONSHIP TO OTHER REGULATIONS.—

8 Regulations promulgated under this paragraph shall,
9 to the maximum extent practicable, incorporate the
10 program structure, compliance and reporting re-
11 quirements established under the final regulations
12 promulgated to implement the renewable fuel pro-
13 gram established by the amendment made by section
14 1501(a)(2) of the Energy Policy Act of 2005 (Public
15 Law 109–58; 119 Stat. 1067).

16 (4) APPLICABLE VOLUME.—

17 (A) CALENDAR YEARS 2015 THROUGH
18 2022.—For the purpose of this subsection, the
19 applicable volume for any of calendar years
20 2015 through 2022 shall be determined in ac-
21 cordance with the following table:

Calendar year:	Applicable volume of clean coal-derived fuel (in billions of gallons):
2015	0.75.....
2016	1.5.....
2017	2.25.....
2018	3.00.....
2019	3.75.....
2020	4.5.....

Calendar year:	Applicable volume of clean coal-derived fuel (in billions of gallons):
2021	5.25.....
2022	6.0.....

1 (B) CALENDAR YEAR 2023 AND THERE-
2 AFTER.—Subject to subparagraph (C), for the
3 purposes of this subsection, the applicable vol-
4 ume for calendar year 2023 and each calendar
5 year thereafter shall be determined by the
6 President, in coordination with the Secretary
7 and the Administrator of the Environmental
8 Protection Agency, based on a review of the im-
9 plementation of the program during calendar
10 years 2015 through 2022, including a review
11 of—

12 (i) the impact of clean coal-derived
13 fuels on the energy security of the United
14 States;

15 (ii) the expected annual rate of future
16 production of clean coal-derived fuels; and

17 (iii) the impact of the use of clean
18 coal-derived fuels on other factors, includ-
19 ing job creation, rural economic develop-
20 ment, and the environment.

21 (C) MINIMUM APPLICABLE VOLUME.—For
22 the purpose of this subsection, the applicable
23 volume for calendar year 2023 and each cal-

1 endar year thereafter shall be equal to the prod-
2 uct obtained by multiplying—

3 (i) the number of gallons of covered
4 fuel that the President estimates will be
5 sold or introduced into commerce in the
6 calendar year; and

7 (ii) the ratio that—

8 (I) 6,000,000,000 gallons of
9 clean coal-derived fuel; bears to

10 (II) the number of gallons of cov-
11 ered fuel sold or introduced into com-
12 merce in calendar year 2022.

13 (b) APPLICABLE PERCENTAGES.—

14 (1) PROVISION OF ESTIMATE OF VOLUMES OF
15 CERTAIN FUEL SALES.—Not later than October 31
16 of each of calendar years 2015 through 2021, the
17 Administrator of the Energy Information Adminis-
18 tration shall provide to the President an estimate,
19 with respect to the following calendar year, of the
20 volumes of covered fuel projected to be sold or intro-
21 duced into commerce in the United States.

22 (2) DETERMINATION OF APPLICABLE PERCENT-
23 AGES.—

24 (A) IN GENERAL.—Not later than Novem-
25 ber 30 of each of calendar years 2015 through

1 2022, based on the estimate provided under
2 paragraph (1), the President shall determine
3 and publish in the Federal Register, with re-
4 spect to the following calendar year, the clean
5 coal-derived fuel obligation that ensures that
6 the requirements of subsection (a) are met.

7 (B) REQUIRED ELEMENTS.—The clean
8 coal-derived fuel obligation determined for a
9 calendar year under subparagraph (A) shall—

10 (i) be applicable to refineries, blend-
11 ers, and importers, as appropriate;

12 (ii) be expressed in terms of a volume
13 percentage of covered fuel sold or intro-
14 duced into commerce in the United States;
15 and

16 (iii) subject to paragraph (3)(A), con-
17 sist of a single applicable percentage that
18 applies to all categories of persons speci-
19 fied in clause (i).

20 (3) ADJUSTMENTS.—In determining the appli-
21 cable percentage for a calendar year, the President
22 shall make adjustments—

23 (A) to prevent the imposition of redundant
24 obligations on any person specified in para-
25 graph (2)(B)(i); and

1 (B) to account for the use of clean coal-de-
2 rived fuel during the previous calendar year by
3 small refineries that are exempt under sub-
4 section (f).

5 (c) VOLUME CONVERSION FACTORS FOR CLEAN
6 COAL-DERIVED FUELS BASED ON ENERGY CONTENT.—

7 (1) IN GENERAL.—For the purpose of sub-
8 section (a), the President shall assign values to spe-
9 cific types of clean coal-derived fuel for the purpose
10 of satisfying the fuel volume requirements of sub-
11 section (a)(4) in accordance with this subsection.

12 (2) ENERGY CONTENT RELATIVE TO DIESEL
13 FUEL.—For clean coal-derived fuels, 1 gallon of the
14 clean coal-derived fuel shall be considered to be the
15 equivalent of 1 gallon of diesel fuel multiplied by the
16 ratio that—

17 (A) the number of British thermal units of
18 energy produced by the combustion of 1 gallon
19 of the clean coal-derived fuel (as measured
20 under conditions determined by the Secretary);
21 bears to

22 (B) the number of British thermal units of
23 energy produced by the combustion of 1 gallon
24 of diesel fuel (as measured under conditions de-

1 terminated by the Secretary to be comparable to
2 conditions described in subparagraph (A)).

3 (d) CREDIT PROGRAM.—

4 (1) IN GENERAL.—The President, in consulta-
5 tion with the Secretary and the clean coal-derived
6 fuel requirement of this section.

7 (2) MARKET TRANSPARENCY.—In carrying out
8 the credit program under this subsection, the Presi-
9 dent shall facilitate price transparency in markets
10 for the sale and trade of credits, with due regard for
11 the public interest, the integrity of those markets,
12 fair competition, and the protection of consumers.

13 (e) WAIVERS.—

14 (1) IN GENERAL.—The President, in consulta-
15 tion with the Secretary and the Administrator of the
16 Environmental Protection Agency, may waive the re-
17 quirements of subsection (a) in whole or in part on
18 petition by 1 or more States by reducing the na-
19 tional quantity of clean coal-derived fuel required
20 under subsection (a), based on a determination by
21 the President (after public notice and opportunity
22 for comment), that—

23 (A) implementation of the requirement
24 would severely harm the economy or environ-

1 ment of a State, a region, or the United States;
2 or

3 (B) extreme and unusual circumstances
4 exist that prevent distribution of an adequate
5 supply of domestically-produced clean coal-de-
6 rived fuel to consumers in the United States.

7 (2) PETITIONS FOR WAIVERS.—The President,
8 in consultation with the Secretary and the Adminis-
9 trator of the Environmental Protection Agency, shall
10 approve or disapprove a State petition for a waiver
11 of the requirements of subsection (a) within 90 days
12 after the date on which the petition is received by
13 the President.

14 (3) TERMINATION OF WAIVERS.—A waiver
15 granted under paragraph (1) shall terminate after 1
16 year, but may be renewed by the President after
17 consultation with the Secretary and the Adminis-
18 trator of the Environmental Protection Agency.

19 (f) SMALL REFINERIES.—

20 (1) TEMPORARY EXEMPTION.—

21 (A) IN GENERAL.—The requirements of
22 subsection (a) shall not apply to small refineries
23 until calendar year 2018.

24 (B) EXTENSION OF EXEMPTION.—

1 (i) STUDY BY SECRETARY.—Not later
2 than December 31, 2013, the Secretary
3 shall submit to the President and Congress
4 a report describing the results of a study
5 to determine whether compliance with the
6 requirements of subsection (a) would im-
7 pose a disproportionate economic hardship
8 on small refineries.

9 (ii) EXTENSION OF EXEMPTION.—In
10 the case of a small refinery that the Sec-
11 retary determines under clause (i) would
12 be subject to a disproportionate economic
13 hardship if required to comply with sub-
14 section (a), the President shall extend the
15 exemption under subparagraph (A) for the
16 small refinery for a period of not less than
17 2 additional years.

18 (2) PETITIONS BASED ON DISPROPORTIONATE
19 ECONOMIC HARDSHIP.—

20 (A) EXTENSION OF EXEMPTION.—A small
21 refinery may at any time petition the President
22 for an extension of the exemption under para-
23 graph (1) for the reason of disproportionate
24 economic hardship.

1 (B) EVALUATION OF PETITIONS.—In eval-
2 uating a petition under subparagraph (A), the
3 President, in consultation with the Secretary,
4 shall consider the findings of the study under
5 paragraph (1)(B) and other economic factors.

6 (C) DEADLINE FOR ACTION ON PETI-
7 TIONS.—The President shall act on any petition
8 submitted by a small refinery for a hardship ex-
9 emption not later than 90 days after the date
10 of receipt of the petition.

11 (3) OPT-IN FOR SMALL REFINERIES.—A small
12 refinery shall be subject to the requirements of sub-
13 section (a) if the small refinery notifies the Presi-
14 dent that the small refinery waives the exemption
15 under paragraph (1).

16 (g) PENALTIES AND ENFORCEMENT.—

17 (1) CIVIL PENALTIES.—

18 (A) IN GENERAL.—Any person that vio-
19 lates a regulation promulgated under subsection
20 (a), or that fails to furnish any information re-
21 quired under such a regulation, shall be liable
22 to the United States for a civil penalty of not
23 more than the total of—

24 (i) \$25,000 for each day of the viola-
25 tion; and

1 (ii) the amount of economic benefit or
2 savings received by the person resulting
3 from the violation, as determined by the
4 President.

5 (B) COLLECTION.—Civil penalties under
6 subparagraph (A) shall be assessed by, and col-
7 lected in a civil action brought by, the Secretary
8 or such other officer of the United States as is
9 designated by the President.

10 (2) INJUNCTIVE AUTHORITY.—

11 (A) IN GENERAL.—The district courts of
12 the United States shall have jurisdiction to—

13 (i) restrain a violation of a regulation
14 promulgated under subsection (a);

15 (ii) award other appropriate relief;

16 and

17 (iii) compel the furnishing of informa-
18 tion required under the regulation.

19 (B) ACTIONS.—An action to restrain such
20 violations and compel such actions shall be
21 brought by and in the name of the United
22 States.

23 (C) SUBPOENAS.—In the action, a sub-
24 poena for a witness who is required to attend

1 a district court in any district may apply in any
2 other district.

3 (h) EFFECTIVE DATE.—Except as otherwise specifi-
4 cally provided in this section, this section takes effect on
5 January 1, 2016.

6 **Subtitle C—Oil Shale**

7 **SEC. 221. REMOVAL OF PROHIBITION ON FINAL REGULA-**
8 **TIONS FOR COMMERCIAL LEASING PROGRAM**
9 **FOR OIL SHALE RESOURCES ON PUBLIC**
10 **LAND.**

11 Section 433 of the Department of the Interior, Envi-
12 ronment, and Related Agencies Appropriations Act, 2008
13 (Public Law 110–161; 121 Stat. 2152) is repealed.

14 **Subtitle D—Department of Defense** 15 **Facilitation of Secure Domestic** 16 **Fuel Development**

17 **SEC. 231. PROCUREMENT AND ACQUISITION OF ALTER-**
18 **NATIVE FUELS.**

19 Section 526 of the Energy Independence and Security
20 Act of 2007 (42 U.S.C. 17142) is repealed.

21 **SEC. 232. MULTIYEAR CONTRACT AUTHORITY FOR THE DE-**
22 **PARTMENT OF DEFENSE FOR THE PROCURE-**
23 **MENT OF SYNTHETIC FUELS.**

24 (a) MULTIYEAR CONTRACTS FOR THE PROCURE-
25 MENT OF SYNTHETIC FUELS AUTHORIZED.—

1 (1) IN GENERAL.—Chapter 141 of title 10,
2 United States Code, is amended by adding at the
3 end the following new section:

4 **“§ 2410r. Multiyear contract authority: purchase of**
5 **synthetic fuels**

6 “(a) MULTIYEAR CONTRACTS AUTHORIZED.—The
7 head of an agency may enter into contracts for a period
8 not to exceed 25 years for the purchase of synthetic fuels.

9 “(b) DEFINITIONS.—In this section:

10 “(1) The term ‘head of an agency’ has the
11 meaning given that term in section 2302(1) of this
12 title.

13 “(2) The term ‘synthetic fuel’ means any liquid,
14 gas, or combination thereof that—

15 “(A) can be used as a substitute for petro-
16 leum or natural gas (or any derivative thereof,
17 including chemical feedstocks); and

18 “(B) is produced by chemical or physical
19 transformation of domestic sources of energy.”.

20 (2) CLERICAL AMENDMENT.—The table of sec-
21 tions at the beginning of chapter 141 of such title
22 is amended by adding at the end the following new
23 item:

 “2410r. Multiyear contract authority: purchase of synthetic fuels.”.

24 (b) REGULATIONS.—Not later than 120 days after
25 the date of the enactment of this Act, the Secretary of

1 Defense shall prescribe regulations providing that the
2 head of an agency may initiate a multiyear contract as
3 authorized by section 2410r of title 10, United States
4 Code (as added by subsection (a)), only if the head of the
5 agency has determined in writing that—

6 (1) there is a reasonable expectation that
7 throughout the contemplated contract period the
8 head of the agency will request funding for the con-
9 tract at the level required to avoid contract cancella-
10 tion;

11 (2) the technical risks associated with the tech-
12 nologies for the production of synthetic fuel under
13 the contract are not excessive; and

14 (3) the contract will contain appropriate pricing
15 mechanisms to minimize risk to the Government
16 from significant changes in market prices for energy.

17 (c) LIMITATION ON USE OF AUTHORITY.—No con-
18 tract may be entered into under the authority in section
19 2410r of title 10, United States Code (as so added), until
20 the regulations required by subsection (b) are prescribed.